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RUEKJCS/JOINT STAFF WASHDC  
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RUEHVEN/USMISSION USOSCE 3352

C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 000272

SIPDIS

STATE FOR SCA/CEN, EEB  
AID/W FOR EE/EA

E.O. 12958: DECL: 02/27/2019

TAGS: [PREL](#) [ECON](#) [TRD](#) [SOCI](#) [TX](#)

SUBJECT: GERMAN FIRM WORKING WITH TURKMENISTAN -- ALLEGEDLY  
AT PRESIDENT'S REQUEST

Classified By: Charge Richard Miles, reasons 1.4 (B) and (D).

¶1. (SBU) SUMMARY: German consulting firm Goetzpartners is advising the Government of Turkmenistan on economic development and strategic planning. Sectors of focus include tourism, textiles, education, and infrastructure. The German Ambassador claimed that he doesn't know anything about the agreement between Goetzpartners and the Government, saying that it is between them and he doesn't want to be involved. Various well-connected sources in Ashgabat allege that Goetzpartners became acquainted with President Berdimuhamedov through mutual friends in Germany, which may be the source of the Ambassador's reticence to discuss the subject. END SUMMARY.

¶2. (U) According to the January 30 edition of official Russian-language newspaper, Neytralniy Turkmenistan, Dr. Stephan Goetz of the German consulting company Goetzpartners briefed President Berdimuhamedov and members of the Cabinet of Ministers on January 29 on the progress of the company's work, which is advising Turkmenistan on economic development and strategic planning. Some examples discussed in glowing terms in the Neytralniy Turkmenistan article include:

-- Three short-term projects for airport development and modernization of Ashgabat International Airport "prepared by the Goetzpartners in partnership with their colleagues from other leading German companies;"

-- A whole line of large German companies are prepared to support the future Turkmen-German University project;

-- Great potential of the tourism sector, centered around the Avaza free tourist zone, especially with the addition of casinos to the area;

-- Development of a construction materials industry; and

-- Development of a strategic plan to encourage more German commercial activity in Turkmenistan.

¶3. (U) Goetzpartners is a corporate finance/management consultant/mergers and acquisitions firm based in Munich. According to the company's website, the corporate finance

arm has concluded deals for Siemens, Virgin Radio, T Systems Media & Broadcast, and Frankfurter Rundschau.

GERMAN AMBASSADOR RETICENT TO COMMENT

¶4. (C) German Ambassador Reiner Morell (please protect) told Political Officer on February 10 that he was not aware of the details of the agreement between Goetzpartners and the Government of Turkmenistan. Morell said, &It,s not good to be involved as the Embassy because the (Turkmen) President wanted the company to come. It,s between them, (and has) nothing to do with the German Embassy or (German) Government and I don,t want to be attached, if it fails.8

(COMMENT: Morell has some experience with not being involved in Goetzpartners-Turkmenistan Government interactions. According to Wintershall General Manager, Kal Sandhu (protect), Goetzpartners, and not the German Embassy, worked with the Turkmen on preparations for Berdimuhamedov's visit to Germany in fall 2007. In fact, Morell told the DCM that he had tried to meet with FM Meredov in the run-up to the visit, in order to discuss the trip, but the Minister would not meet with him. END COMMENT.) Morell did say that Turkmenistan,s relationship with Goetzpartners grew out of its desire for a &master plan8 on sector development, including construction material, textiles, tourism, infrastructure, and some limited work in education, and continued to discuss many details that the newspaper article also included. Morell confirmed that work in the tourism sector will be focused on Avaza, adding that Goetzpartners recommended that casinos be included in the plan in order to

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add to tourist attractions. Morell thought that the Turkmen-German University concept is unlikely to come to fruition because the German higher education system is based on provincial-level oversight of culture and education, whereas the Turkmen system is directed by the central government. Morell said that the company may also be looking at the energy sector.

¶5. (C) According to Morell, the company found that the quality of Turkmen textiles was good but added that the lack of marketing, and specifically the fact that Turkish companies are the sector,s sole customers, is a downside. Turkmen factories are thinking of making samples to market their goods to other potential clients. He mentioned the difficulty of creating master plans on certain portions of development, such as airports. Morell said that he saw Goetzpartners,s engagement in Turkmenistan as positive because it means that the President is taking outside advice on construction, instead of relying on vendors such as Bouygues and Polimeks, which usually work up plans based on the President's wishes and then present a bill. Meanwhile, the Government isn't double-checking proposals with other vendors and is leaving itself open to getting taken advantage of.

¶6. (C) COMMENT: Various well-connected sources in Ashgabat allege that Goetzpartners became acquainted with President Berdimuhamedov through mutual friends in Germany. Morell's suggestion that Goetzpartners advising role is a good one -- because it cuts out Polimeks and Bouygues -- doesn't hold water. Goetzpartners' role puts the company in an enviable position to introduce its favored companies to Turkmenistan. END COMMENT.

MILES